

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

SUBJECT: Credit Enhancement Program
Activity Status Report

ITEM NUMBER: 9

ATTACHMENT(S): 2

ACTION: _____

DATE OF MEETING: June 5, 2002

INFORMATION: X

PRESENTER(S): Jean Kushida Uda

CalSTRS is underwriting two credit enhancement transactions this month.

In the first transaction, CalSTRS is providing a new liquidity facility to support an existing bond issue for the Fremont-Rideout Health Group. CalSTRS is partnering with a bond insurance company, who will insure the bonds. CalSTRS will underwrite a liquidity facility for \$25.6 million. Another bank will provide liquidity support for the balance, in a several and not joint relationship. The line of credit will be for five years.

The bonds were issued in April 2001 for \$50 million for the acquisition, construction, improvement and equipping of the Fremont Medical Center. Construction is on schedule and currently 20% complete.

The Fremont-Rideout Health Group is an acute care provider in and around Sutter County and Yuba County. The group includes two hospitals - Fremont Medical Center in Yuba City and Rideout Memorial Hospital in Marysville. There are 281 licensed beds. The group is the dominant provider in its primary market, with an 80% market share. The nearest competing medical facilities are 42 miles away in Sacramento.

The Fremont-Rideout Health Group is rated A+ by Standard and Poor's and A1 by Moody's.

In the second transaction, CalSTRS is underwriting an \$11.5 million confirming letter of credit in support of a California Pollution Control Financing Authority tax-exempt bond issue for California Waste Solutions, located in San Jose. CalSTRS will be backing a California-based bank. CalSTRS will be in a second loss position.

Bond proceeds will be used to acquire additional land, remodel and expand an existing building into a materials recovery facility and purchase equipment for the collection, transporting and processing of municipal solid waste in San Jose. Expected completion date is July 2002. Upon completion, it is anticipated the borrower will employ 40 additional employees.

Both bond issues are expected to close the end of May.

Transaction	LOC #	Type	Closing Date	End of Commitment	Principal Commitment	Interest Commitment	Total Commitment	Fiscal 2001-02 Fee Income	Fee Income To Date
DIRECT RISK									
Port of Long Beach	--	Liquidity	Jul-01	Jul-06	\$87,500,000	\$0	\$87,500,000	\$157,068	\$668,927
LA Fairplex	34	Credit	Sep-00	Sep-07	\$19,700,000	\$265,545	\$19,965,545	\$154,938	\$677,676
San Diego UPD, Series A	20	Credit	Oct-97	Oct-02	\$27,500,000	\$2,576,712	\$30,076,712	\$25,989	\$124,124
San Diego UPD, Series B	21	Credit	Oct-97	Oct-02	\$22,500,000	\$2,108,219	\$24,608,219	\$25,569	\$128,179
Pasadena Parking Authority	41	Credit	Jul-01	Jul-04	\$7,850,000	\$605,104	\$8,455,104	\$18,484	\$18,484
Pasadena Rosebowl	42	Credit	Jul-01	Jul-04	\$13,850,000	\$245,885	\$14,095,885	\$29,224	\$29,224
Kern High School 1995A	43	Credit	Aug-01	Aug-04	\$5,800,000	\$114,411	\$5,914,411	\$20,711	\$20,711
Kern High School 1995B	44	Credit	Aug-01	Aug-04	\$4,425,000	\$87,288	\$4,512,288	\$15,794	\$15,794
CHFA HMRB 1999 Series P & Q	28a	Liquidity	Dec-99	Apr-04	\$10,466,250	\$648,908	\$11,115,158	\$19,730	\$51,120
Lewis & Clark	32	Credit	Jun-00	Jun-05	\$25,000,000	\$2,284,932	\$27,284,932	\$126,216	\$282,482
CHFA Multi-family 2000 A & B	36	Liquidity	Nov-00	Jul-05	\$24,821,250	\$1,538,918	\$26,360,168	\$71,545	\$81,092
CHFA Multi-family 2000 C & D	37	Liquidity	Nov-00	Nov-05	\$20,558,750	\$1,274,643	\$21,833,393	\$60,485	\$67,131
Kern High School 2001	45	Credit	Aug-01	Aug-04	\$12,900,000	\$302,792	\$13,202,792	\$43,569	\$43,569
DIRECT RISK SUBTOTAL					\$282,871,250	\$12,053,357	\$294,924,607	\$769,322	\$2,208,513
DIRECT RISK - SECURED									
Buck Research on Aging	46	Credit	Dec-01	Dec-06	\$27,800,000	\$402,148	\$28,202,148	\$24,677	\$24,677
BOND INSURED									
Adventist West	--	Liquidity	Feb-98	Feb-05	\$114,500,000	\$1,693,973	\$116,193,973	\$128,616	\$660,892
CHFA 1998 Series P	27a	Liquidity	Apr-99	Dec-04	\$9,125,000	\$707,188	\$9,832,188	\$14,575	\$42,419
CHFA 1998 Series T	27b	Liquidity	Apr-99	Dec-04	\$4,793,750	\$371,516	\$5,165,266	\$7,456	\$21,173
CHFA 1998 Series M	27c	Liquidity	Apr-99	Dec-04	\$15,076,000	\$1,168,390	\$16,244,390	\$27,243	\$82,952
CHFA 1999 Series O	28b	Liquidity	Dec-99	Apr-04	\$18,948,750	\$1,468,528	\$20,417,278	\$33,432	\$81,852
CHFA 2000 Series C	29a	Liquidity	Jan-00	Apr-04	\$10,625,000	\$658,750	\$11,283,750	\$18,305	\$39,869
CHFA 2000 Series D	29b	Liquidity	Jan-00	Apr-04	\$19,887,500	\$1,541,281	\$21,428,781	\$34,953	\$78,562
CHFA 2000 Series G	29c	Liquidity	Apr-00	Apr-04	\$17,433,750	\$1,080,893	\$18,514,643	\$30,041	\$59,773
CHFA 2000 Series H	29d	Liquidity	Apr-00	Apr-04	\$28,132,500	\$2,180,269	\$30,312,769	\$49,416	\$100,912
CHFA 2000 Series J, L, N	29e	Liquidity	May-00	May-03	\$30,091,250	\$2,332,072	\$32,423,322	\$52,451	\$97,981
CHFA 2000 Series K	29f	Liquidity	May-00	May-03	\$29,376,250	\$3,794,432	\$33,170,682	\$54,646	\$101,619
CHFA 2000 Series U	35	Liquidity	Oct-00	Oct-03	\$9,748,750	\$745,178	\$10,493,928	\$18,190	\$27,057
CHFA 2000 Series X-1 & X-2	38	Liquidity	Dec-00	Dec-03	\$14,246,250	\$1,088,960	\$15,335,210	\$26,416	\$34,384
CHFA 2001 Series C	39a	Liquidity	Jan-01	Jan-06	\$3,017,500	\$230,653	\$3,248,153	\$3,704	\$4,596
CHFA 2001 Series F	39b	Liquidity	Apr-01	Apr-03	\$6,250,000	\$477,740	\$6,727,740	\$6,072	\$6,072
BOND INSURED SUBTOTAL					\$331,252,250	\$19,539,823	\$350,792,073	\$505,516	\$1,440,113

Transaction	LOC #	Type	Closing Date	End of Commitment	Principal Commitment	Interest Commitment	Total Commitment	Fiscal 2001-02 Fee Income	Fee Income To Date
DIRECT PAY LETTERS OF CREDIT									
APM, Inc. Series 1994A	25	Credit	Aug-99	Jul-04	\$450,000	\$10,060	\$460,060	\$2,097	\$8,963
Altamont/Pkging Series 1994A	25	Credit	Aug-99	Jul-04	\$2,425,000	\$54,214	\$2,479,214	\$5,182	\$18,791
DV Packaging/La Barbera	25	Credit	Sep-99	Aug-04	\$1,095,000	\$24,480	\$1,119,480	\$3,209	\$12,787
Wilson Entities	24	Credit	Sep-99	Aug-04	\$2,300,000	\$51,419	\$2,351,419	\$5,565	\$19,868
Tulip Corporation	31	Credit	Jul-00	Jul-04	\$2,200,000	\$49,184	\$2,249,184	\$6,013	\$11,951
Santa Clara 1997A (5 yr term)	33	Credit	Aug-00	Aug-06	\$4,235,000	\$71,009	\$4,306,009	\$0	\$18,506
Propak of California	1	Credit	Nov-94	Nov-04	\$1,985,000	\$44,377	\$2,029,377	\$7,554	\$74,915
J. Michelle/Edie Lee	1	Credit	Nov-94	Nov-04	\$1,340,000	\$29,957	\$1,369,957	\$4,801	\$70,870
Pasco Scientific	1	Credit	Nov-94	Nov-04	\$1,805,000	\$40,353	\$1,845,353	\$9,858	\$76,061
American River Packaging	1	Credit	Nov-94	Nov-04	\$1,645,000	\$36,776	\$1,681,776	\$6,920	\$53,718
Intermountain Trading	2	Credit	Feb-95	Jan-05	\$190,000	\$4,248	\$194,248	\$1,233	\$14,230
Andercraft Products	2	Credit	Feb-95	Jan-05	\$550,000	\$12,296	\$562,296	\$3,366	\$42,458
Sunclipse, Inc. (Alhambra)	2	Credit	Feb-95	Jan-05	\$3,200,000	\$71,540	\$3,271,540	\$9,223	\$87,296
Sunclipse, Inc. (Union City)	2	Credit	Feb-95	Jan-05	\$2,135,000	\$47,730	\$2,182,730	\$6,333	\$62,179
Busseto Foods, Inc. (Rapelli)	2	Credit	Feb-95	Jan-05	\$2,500,000	\$55,890	\$2,555,890	\$7,324	\$68,793
American Zettler	4	Credit	Mar-95	Mar-05	\$1,850,000	\$41,359	\$1,891,359	\$5,747	\$53,150
Contech Engineering Prod.	4	Credit	Mar-95	Mar-05	\$810,000	\$18,108	\$828,108	\$4,033	\$34,526
Evapco, Inc.	4	Credit	Mar-95	Mar-05	\$360,000	\$8,048	\$368,048	\$1,222	\$14,756
Florestone Products Co.	4	Credit	Mar-95	Mar-05	\$1,075,000	\$24,033	\$1,099,033	\$3,162	\$39,193
Grundfos Pumps Company	4	Credit	Mar-95	Mar-05	\$6,000,000	\$134,137	\$6,134,137	\$16,526	\$144,519
NRI, Inc.	4	Credit	Mar-95	Mar-05	\$1,240,000	\$27,722	\$1,267,722	\$3,610	\$51,274
W & H Voortman, Inc.	4	Credit	Mar-95	Mar-05	\$2,280,000	\$50,972	\$2,330,972	\$7,598	\$53,793
Allwire, Inc.	6	Credit	Mar-95	Mar-05	\$210,000	\$4,695	\$214,695	\$1,647	\$16,677
Fairway Real Estate	6	Credit	Mar-95	Mar-05	\$420,000	\$9,390	\$429,390	\$3,098	\$36,548
S & P Investments	6	Credit	Mar-95	Mar-05	\$885,000	\$19,785	\$904,785	\$3,543	\$37,087
Northwest Pipe & Casing	7	Credit	Apr-95	Apr-05	\$2,250,000	\$50,301	\$2,300,301	\$7,455	\$85,553
Zieman Manufacturing	7	Credit	Apr-95	Apr-05	\$315,000	\$7,042	\$322,042	\$3,114	\$21,002
Carvin Corporation	8	Credit	Jun-95	Jun-04	\$480,000	\$10,731	\$490,731	\$7,418	\$64,662
Kennerley-Spratling	8	Credit	Jun-95	Jun-04	\$1,935,000	\$43,259	\$1,978,259	\$6,076	\$78,670
Staub Metals, Inc.	8	Credit	Jun-95	Jun-04	\$255,000	\$5,701	\$260,701	\$1,672	\$34,549
Walker Spring and Stamping Corp.	9	Credit	Sep-95	Sep-04	\$2,820,000	\$63,044	\$2,883,044	\$14,076	\$86,730
South Bay Circuits, Inc.	9	Credit	Sep-95	Sep-04	\$1,350,000	\$30,181	\$1,380,181	\$4,444	\$48,543
W & H Voortman, Inc.	9	Credit	Sep-95	Sep-04	\$840,000	\$18,779	\$858,779	\$3,006	\$29,449
Red Line Oil Co.	10	Credit	Nov-95	Nov-04	\$930,000	\$20,791	\$950,791	\$4,799	\$31,938
Johansen Dielectics (JDI)	10	Credit	Nov-95	Nov-04	\$1,025,000	\$22,915	\$1,047,915	\$5,974	\$56,128
Peet's Coffee	10	Credit	Nov-95	Nov-04	\$1,300,000	\$29,063	\$1,329,063	\$7,269	\$67,072
Safariland	13	Credit	Oct-96	Oct-04	\$3,000,000	\$62,137	\$3,062,137	\$4,021	\$46,666
Control Air Conditioning	18	Credit	May-97	May-05	\$4,200,000	\$75,945	\$4,275,945	\$13,517	\$102,373
Cordeiro Vault Co., Inc.	15	Credit	Dec-96	Dec-04	\$475,000	\$10,619	\$485,619	\$3,187	\$30,557
Fibrebond West, Inc.	17	Credit	Dec-96	Dec-04	\$3,790,000	\$84,730	\$3,874,730	\$12,791	\$133,210
DIRECT PAY LETTERS OF CREDIT SUBTOTAL					\$68,150,000	\$1,477,020	\$69,627,020	\$227,683	\$2,040,011

Transaction	LOC #	Type	Closing Date	End of Commitment	Principal Commitment	Interest Commitment	Total Commitment	Fiscal 2001-02 Fee Income	Fee Income To Date
CONFIRMING LETTERS OF CREDIT & OTHER INDIRECT RISK									
Monrovia Redevelopment Agency	CLOC 3	Credit	Jan-98	Jan-03	\$8,300,000	\$238,312	\$8,538,312	\$12,756	\$84,708
Western Saw	CLOC 6	Credit	Jun-98	Jun-04	\$3,180,000	\$47,047	\$3,227,047	\$3,389	\$28,941
St. Vincent de Paul	CLOC 7	Credit	May-99	May-04	\$7,485,000	\$110,737	\$7,595,737	\$20,160	\$76,379
Delta Tau Data Systems	CLOC 8	Credit	Aug-98	Aug-04	\$5,800,000	\$85,808	\$5,885,808	\$25,856	\$94,354
Dix Metals	CLOC 9	Credit	Sep-98	Sep-04	\$5,045,000	\$74,638	\$5,119,638	\$10,864	\$74,572
City of Fillmore	CLOC 10	Credit	Sep-98	Sep-04	\$10,120,000	\$192,973	\$10,312,973	\$10,485	\$61,420
Accurate Engineering	CLOC 12	Credit	Oct-98	Oct-04	\$4,045,000	\$59,844	\$4,104,844	\$6,161	\$38,699
The Terraces/Park Marino	CLOC 13	Credit	Oct-98	Oct-04	\$7,775,000	\$127,808	\$7,902,808	\$31,828	\$123,985
Santa Paula (Water Supply)	CLOC 14	Credit	Nov-98	Nov-04	\$23,500,000	\$448,110	\$23,948,110	\$24,347	\$134,067
Mission Viejo	CLOC 15	Credit	May-99	May-06	\$31,100,000	\$2,177,853	\$33,277,853	\$41,597	\$234,332
City of Fillmore	CLOC 16	Credit	Mar-99	Jun-04	\$7,345,000	\$137,643	\$7,482,643	\$0	\$48,305
City of Ontario	CLOC 17	Credit	Apr-99	Apr-05	\$8,020,000	\$147,656	\$8,167,656	\$16,335	\$58,542
City of Ontario	CLOC 18	Credit	Apr-99	Apr-05	\$6,430,000	\$116,268	\$6,546,268	\$6,546	\$40,072
Watt Four	CLOC 19	Credit	May-99	May-04	\$2,630,000	\$44,098	\$2,674,098	\$5,437	\$31,135
Evergreen	CLOC 20	Credit	Jun-99	Jun-04	\$2,303,750	\$34,083	\$2,337,833	\$3,052	\$19,902
Fontana Redevelopment	CLOC 21	Credit	Jun-99	Jun-04	\$3,114,361	\$0	\$3,114,361	\$18,686	\$25,001
New United Motor (NUMMI)	CLOC 22	Credit	Jun-99	May-02	\$11,015,000	\$130,369	\$11,145,369	\$39,551	\$99,797
Inland	CLOC 23	Credit	Jun-99	Jun-04	\$44,485,000	\$2,925,042	\$47,410,042	\$71,642	\$288,148
Alameda Point	CLOC 26	Credit	Sep-99	Sep-04	\$10,000,000	\$391,233	\$10,391,233	\$0	\$26,902
Apple Valley	CLOC 27	Credit	Sep-99	Sep-04	\$5,325,000	\$208,332	\$5,533,332	\$5,564	\$28,499
Primero Grove	CLOC 28	Credit	Dec-99	Dec-04	\$11,715,000	\$112,336	\$11,827,336	\$44,969	\$104,844
Starter/Alternator	CLOC 29	Credit	Sep-99	Sep-04	\$5,000,000	\$73,973	\$5,073,973	\$5,159	\$28,612
Adelanto PUA, Series A	CLOC 30	Credit	Feb-00	Feb-05	\$9,385,000	\$166,616	\$9,551,616	\$4,864	\$34,153
Adelanto PUA, Series B, C	CLOC 30	Credit	Feb-00	Feb-05	\$34,940,000	\$620,305	\$35,560,305	\$17,978	\$126,239
San Francisco Conservatory of Music	CLOC 31	Credit	Mar-00	Mar-05	\$10,000,000	\$170,959	\$10,170,959	\$30,937	\$92,810
Oakland-Alameda Cnty Coliseum	STRS 30	Credit	May-00	May-03	\$51,200,000	\$942,641	\$52,142,641	\$78,857	\$202,184
City of Compton	CLOC 33	Credit	Jun-00	Jun-04	\$6,000,000	\$114,411	\$6,114,411	\$0	\$12,229
Marborg Industries (Term 2 yrs)	CLOC 34	Credit	Jun-00	Jun-03	\$5,425,000	\$82,044	\$5,507,044	\$0	\$15,257
AAA Packing & Shipping Inc.	CLOC 35	Credit	Jun-00	Jun-04	\$3,000,000	\$44,384	\$3,044,384	\$1,556	\$8,250
City of Lake Elsinore	CLOC 36	Credit	Jul-00	Jul-05	\$15,660,000	\$288,316	\$15,948,316	\$32,129	\$80,948
City of Duarte	CLOC 37	Credit	Apr-01	Apr-05	\$6,000,000	\$110,466	\$6,110,466	\$0	\$12,221
City of Vallejo	CLOC 38	Credit	May-01	May-04	\$16,350,000	\$311,770	\$16,661,770	\$0	\$33,324
Megatoys	CLOC 40	Credit	Jun-01	Jun-06	\$3,000,000	\$54,247	\$3,054,247	\$0	\$12,217
Oakland-Alameda Arena	STRS 40	Credit	Jul-01	Jul-04	\$42,300,000	\$2,347,650	\$44,647,650	\$47,394	\$47,394
Beaumont Wastewater	CLOC 41	Credit	Aug-01	Aug-04	\$9,790,000	\$177,025	\$9,967,025	\$19,580	\$19,580
Advance Business Graphics	CLOC 42	Credit	Aug-01	Aug-04	\$6,050,000	\$89,507	\$6,139,507	\$14,581	\$14,581
Santa Clara 2001A	CLOC 43	Credit	Oct-01	Oct-04	\$7,560,000	\$111,847	\$7,671,847	\$26,694	\$26,694
The Ratto Group	CLOC 44	Credit	Nov-01	Nov-04	\$9,845,000	\$145,652	\$9,990,652	\$34,749	\$34,749
City of Montebello	CLOC 45	Credit	Dec-01	Dec-04	\$8,750,000	\$163,973	\$8,913,973	\$17,828	\$17,828
Plastikon Industries Project	CLOC 46	Credit	Jan-02	Jan-05	\$6,500,000	\$230,795	\$6,730,795	\$23,558	\$23,558
City of Sanger	CLOC 47	Credit	Mar-02	Mar-05	\$16,590,000	\$327,255	\$16,917,255	\$34,304	\$34,304
Las Palomas	CLOC 48	Credit	Apr-02	Apr-05	\$5,100,000	\$78,200	\$5,178,200	\$12,946	\$12,946
CONFIRMING LETTERS OF CREDIT & OTHER INDIRECT RISK SUBTOTAL					\$497,178,111	\$14,462,226	\$511,640,337	\$802,339	\$2,612,682

Transaction	LOC #	Type	Closing Date	End of Commitment	Principal Commitment	Interest Commitment	Total Commitment	Fiscal 2001-02 Fee Income	Fee Income To Date
REDEEMED TRANSACTIONS									
REDEEMED SUBTOTAL					\$0	\$0	\$0	\$299,727	\$3,085,233
GRAND TOTAL					\$1,207,251,611	\$47,934,574	\$1,255,186,185	\$2,629,264	\$11,411,229

CalSTRS CREDIT ENHANCEMENT PROGRAM
CREDIT ENHANCEMENT EXPOSURE
PROGRAM SUMMARY AS OF APRIL 30, 2002

Borrower	Financial Institution	Principal Commitment	Interest Commitment	Total Commitment	Portfolio Percentage	Moody's Rating	S&P Rating
DIRECT RISK *							
Port of Long Beach	(Dexia)	\$87,500,000	\$0	\$87,500,000	6.97%	Aa3	AA-
San Diego Unified Port District	(CIBC)	\$27,500,000	\$2,576,712	\$30,076,712	2.40%	A1	A+
Buck Research Center on Aging	(Bank of New York)	\$27,800,000	\$402,148	\$28,202,148	2.25%	not rated	not rated
Lewis & Clark	(CIBC)	\$25,000,000	\$2,284,932	\$27,284,932	2.17%	not rated	not rated
CHFA 2000 Multi-family A & B	(Helaba Bank)	\$24,821,250	\$1,538,918	\$26,360,168	2.10%	Aa3	AA-
San Diego Unified Port District	(CIBC)	\$22,500,000	\$2,108,219	\$24,608,219	1.96%	A1	A+
CHFA 2000 Multi-family C & D	(Helaba Bank)	\$20,558,750	\$1,274,643	\$21,833,393	1.74%	Aa3	AA-
LA Fairplex	(Allied Irish Bank)	\$19,700,000	\$265,545	\$19,965,545	1.59%	not rated	not rated
Pasadena Rose Bowl	(Bank of New York)	\$13,850,000	\$245,885	\$14,095,885	1.12%	A2	A+
Kern High School 2001	(Bank of New York)	\$12,900,000	\$302,792	\$13,202,792	1.05%	A2	not rated
CHFA HMRB 1999 Series P & Q	(Commerzbank Aktiengesellschaft)	\$10,466,250	\$648,908	\$11,115,158	0.89%	Aa2	AA-
Pasadena Parking Authority	(Bank of New York)	\$7,850,000	\$605,104	\$8,455,104	0.67%	A2	A+
Kern High School 1995A	(Bank of New York)	\$5,800,000	\$114,411	\$5,914,411	0.47%	A2	not rated
Kern High School 1995B	(Bank of New York)	\$4,425,000	\$87,288	\$4,512,288	0.36%	A2	not rated
TOTAL - DIRECT RISK		\$310,671,250	\$12,455,505	\$323,126,755	26%		

* These are direct risk transactions. The obligations of CalSTRS and the partner financial institutions are several and not joint. CalSTRS is not responsible for the obligation of the partner financial institution.

CalSTRS CREDIT ENHANCEMENT PROGRAM
CREDIT ENHANCEMENT EXPOSURE
PROGRAM SUMMARY AS OF APRIL 30, 2002

Borrower	Financial Institution	Principal Commitment	Interest Commitment	Total Commitment	Portfolio Percentage	Moody's Rating	S&P Rating
INDIRECT RISK & FINANCIAL INSTITUTION EXPOSURE **							
Various borrowers	Union Bank of California, N.A.	\$340,469,335	\$10,357,384	\$350,826,719	27.95%	A1	A-
Various borrowers	FSA	\$161,935,000	\$13,614,498	\$175,549,498	13.99%	Aaa	AAA
Various borrowers	MBIA	\$145,574,750	\$4,085,281	\$149,660,031	11.92%	Aaa	AAA
Various borrowers	Sumitomo Mitsui Banking Corp.	\$42,300,000	\$2,347,650	\$44,647,650	3.56%	A3	BBB+
Various borrowers	City National Bank	\$30,290,000	\$463,388	\$30,753,388	2.45%	A3 ¹ / Aaa ²	BBB ¹ / AAA ²
Various borrowers	AMBAC	\$23,742,500	\$1,840,044	\$25,582,544	2.04%	Aaa	AAA
Various borrowers	The Sakura Bank, Ltd.	\$23,600,026	\$434,499	\$24,034,525	1.91%	A3	BBB+
Various borrowers	United California Bank	\$22,990,000	\$397,158	\$23,387,158	1.86%	A2	BBB+
Various borrowers	Bank of America	\$14,990,000	\$330,187	\$15,320,187	1.22%	Aa1	AA-
Various borrowers	Tokai Bank of California	\$11,715,000	\$112,336	\$11,827,336	0.94%	A3	BBB
Various borrowers	Bank of Tokyo-Mitsubishi, Ltd.	\$11,015,000	\$130,369	\$11,145,369	0.89%	A2	A-
Various borrowers	Westamerica Bancorp	\$9,845,000	\$145,652	\$9,990,652	0.80%	Aaa ³	AAA ³
Various borrowers	General Bank	\$8,300,000	\$238,312	\$8,538,312	0.68%	Aaa ³	AAA ³
Various borrowers	Pacific Century Bank, N.A.	\$8,180,000	\$121,020	\$8,301,020	0.66%	Aaa ³	AAA ³
Various borrowers	Wells Fargo Bank	\$9,060,000	\$202,547	\$9,262,547	0.74%	Aa1	AA-
Various borrowers	Unibank	\$6,000,000	\$134,137	\$6,134,137	0.49%	Aa3	A+
Various borrowers	Santa Barbara Bank & Trust	\$5,425,000	\$82,044	\$5,507,044	0.44%	Aaa ³	AAA ³
Various borrowers	Hibernia National Bank	\$3,790,000	\$84,730	\$3,874,730	0.31%	A3	BBB+
Various borrowers	Comerica Bank - California	\$3,850,000	\$86,071	\$3,936,071	0.31%	A1	A
Various borrowers	Bank of Nova Scotia	\$3,120,000	\$69,751	\$3,189,751	0.25%	Aa3	A+
Various borrowers	Far East National Bank	\$3,000,000	\$54,247	\$3,054,247	0.24%	Aaa	AAA
Various borrowers	Coast Commercial Bank	\$2,300,000	\$51,419	\$2,351,419	0.19%	Aaa ³	AAA ³
Various borrowers	First National Bank	\$2,303,750	\$34,083	\$2,337,833	0.19%	Aaa ³	AAA ³
Various borrowers	First Union National Bank	\$1,300,000	\$29,063	\$1,329,063	0.11%	Aa3	A+
Various borrowers	Mellon Bank	\$810,000	\$18,108	\$828,108	0.07%	Aa3	AA-
Various borrowers	Mellon 1st Business Bank	\$420,000	\$9,390	\$429,390	0.03%	A2	A+
Various borrowers	Fleet Bank	\$255,000	\$5,701	\$260,701	0.02%	A1	A+
TOTAL - INDIRECT RISK & FINANCIAL INSTITUTIONS		\$896,580,361	\$35,479,069	\$932,059,430	74%		
TOTAL CREDIT ENHANCEMENT EXPOSURE		\$1,207,251,611	\$47,934,574	\$1,255,186,185	100%		

** These are indirect risk transactions. CalSTRS is in a second loss position. CalSTRS is obligated to pay only if the fronting financial institution is unable to.

¹ \$7 million bank risk

² \$14 million treasury/agency-backed securities

³ Treasury or agency-backed securities